

June 11, 2002

Opening Statement for Congressman Paul E. Gillmor
House Financial Services Committee Subcommittee on Capital Markets, Insurance and
Government Sponsored Enterprises Hearing
“Insurance Regulation and Competition for the 21st Century” Day 2

I would like to thank Chairman Baker for holding this important hearing this afternoon, the first in a series of discussions on how best to reform and modernize our current insurance regulatory system.

I enjoyed hearing the opinions of our distinguished witnesses on our first day of hearings and look forward to hearing from our witnesses on several reform proposals that have already come to the committee’s attention. I would like to extend an especially warm welcome to Mr. Joseph J. Gasper, President and Chief Operating Officer of Nationwide Financial Services in Columbus, Ohio and Chairman of the Board of Directors of the American Council of Life Insurers (ACLI). Mr. Gasper, thank you for traveling from the great State of Ohio to be with us today and I look forward to your comments.

I continue to believe that before this committee considers any substantive legislation in this area, lengthy discussions must take place considering all the ramifications of changes such as optional federal chartering, interstate compacts, and federally targeted uniformity proposals. The series of hearing continuing today, provide the perfect opportunity for such exchanges and debate.

As a member of the House Energy and Commerce Committee during the consideration of the Gramm-Leach-Bliley Act (GLBA), I remember the intense debate surrounding federal regulation of the insurance industry. As in other areas addressed in the GLBA, it is important that we review the implementation of the agent licensing standards, and assess the changes in the industry as a result, before considering additional new regulations.

It is widely agreed that the time for modernization of insurance regulations has come and I commend our subcommittee chairman for realizing the importance of this issue. I hope today’s discussion and those to come will lead us toward a reform proposal that addresses

the concerns of those most supportive of optional federal chartering while continuing to improve state regulations.

Again, I would like to thank the chairman for holding today's hearing and our witnesses for joining us. I look forward to a continued healthy exchange of ideas.